GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:757
ANSWERED ON:04.03.2005
INVESTMENT IN SMALL SAVINGS
Yadav Shri Parasnath

Will the Minister of FINANCE be pleased to state:

(a) whether a committee set up under the chairmanship of Deputy Governor of Reserve Bank of India has made any recommendations regarding investments in small savings;

(b) whether there is any proposal for increasing the interest rates of Kisan Vikas Patra, National Saving Certificates, Postal Deposit Scheme and Public Provident Schemes which come under the small savings;

(c) the total deposit in the small savings fund till the year 1999 and the total investments made in non-commercial securities; and

(d) the total amount which was withdrawn from the high interest yielding securities and has invested in the securities yielding 5.96% to 7% interest between March, 2003 to December, 2004 and the outcome thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) Yes, Sir.

(b) No, Sir. There is no proposal for increasing the interest rates on various small savings schemes.

(c) Total outstanding balances (deposits) under various small savings schemes at the commencement of the National Small Savings Fund (NSSF), on 1st April, 1999 was rupees 1,76,220.92 crore (approximately). This amount was invested in special Government of India securities on the same day.

(d) The amounts of special Government of India (GOI) securities redeemed during March, 2003 to December, 2004 and reinvestments made are as under:-

In Crores of rupees

Date of Redemption	Amount of 10.5% special GOI securities redeemed	Particulars	Reinvestments made Date of investment	Amount
31.03.2003	13765.58	7% special GOI securities	01.04.2003	13765.58
30.09.2003	32602.28	6% special GOI securities	30.09.2003	32602.28
31.03.2004	13608.87	5.95%specialGOI securities	31.03.2004	13608.87
31.12.2004	22665.00	6.96%specialGOI securities	31.12.2004	22665.00

These redemptions and reinvestments have impacted upon the interest income of the NSSF.